



410th COR Training



CONTRACTING BASICS



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LEARNING OBJECTIVES

- CONTRACTING OFFICER
- CONTRACTING FUNDAMENTALS
- CONTRACTING PROCESS
- HOW TO READ A CONTRACT



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CONTRACTING OFFICER

Contract Authority (FAR 1.602)

- Only Contracting Officers have authority to enter into, administer, or terminate contracts and **AND MAKE CHANGES TO THE CONTRACT**
- Contracting Officers may bind the Government only to the extent of the authority delegated to them
- Contracting Officers must ensure contracts are in compliance with all laws, executive orders, regulations, and all other applicable procedures
- Appointed via a Warrant with dollar limitations



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CONTRACTING FUNDAMENTALS

WHAT IS A CONTRACT?

- An agreement between two or more parties
- Enforceable by law
- Oral or Written
- Must contain the following five elements:
 - (1) Offer
 - (2) Acceptance
 - (3) Consideration
 - (4) Legal w/possible objective
 - (5) Competent Parties



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CONTRACTING FUNDAMENTALS

UNAUTHORIZED COMMITMENT/CONSTRUCTIVE CHANGE

- The contractor performs work beyond that required by the contract without a formal change order
- Originated from a Government informal order
- A Government informal order can be defined as words or deeds
- CORs are primary source of unauthorized commitment/constructive change; e.g., **Following Commander's Order**
- **THE GOVERNMENT IS NOT LIABLE FOR UNAUTHORIZED ACTS OF ITS EMPLOYEES!**



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CONTRACTING FUNDAMENTALS

TYPES OF UNAUTHORIZED COMMITMENTS/CONSTRUCTIVE CHANGES

- Disagreement over contract requirements
- Failure of the Government to cooperate during contract performance.
- Defective specifications and misleading information
- Acceleration of contract performance to finish sooner than what is stated in the contract schedule



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CONTRACTING FUNDAMENTALS

Ratification

- Is the subsequent adoption of an unauthorized act
- This is a long and time consuming process, involving justifications and approvals – It is not automatic
- Be careful when instructing a contractor to perform a task that may be outside the scope of the contract
- You may be liable for the cost involved if the action is not ratified!



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COST REIMBURSEABLE VS. FIXED PRICE CONTRACTS

GOVERNMENT

LOW → HIGH

FFP

RISK

Cost
Reimbursable

HIGH ← LOW

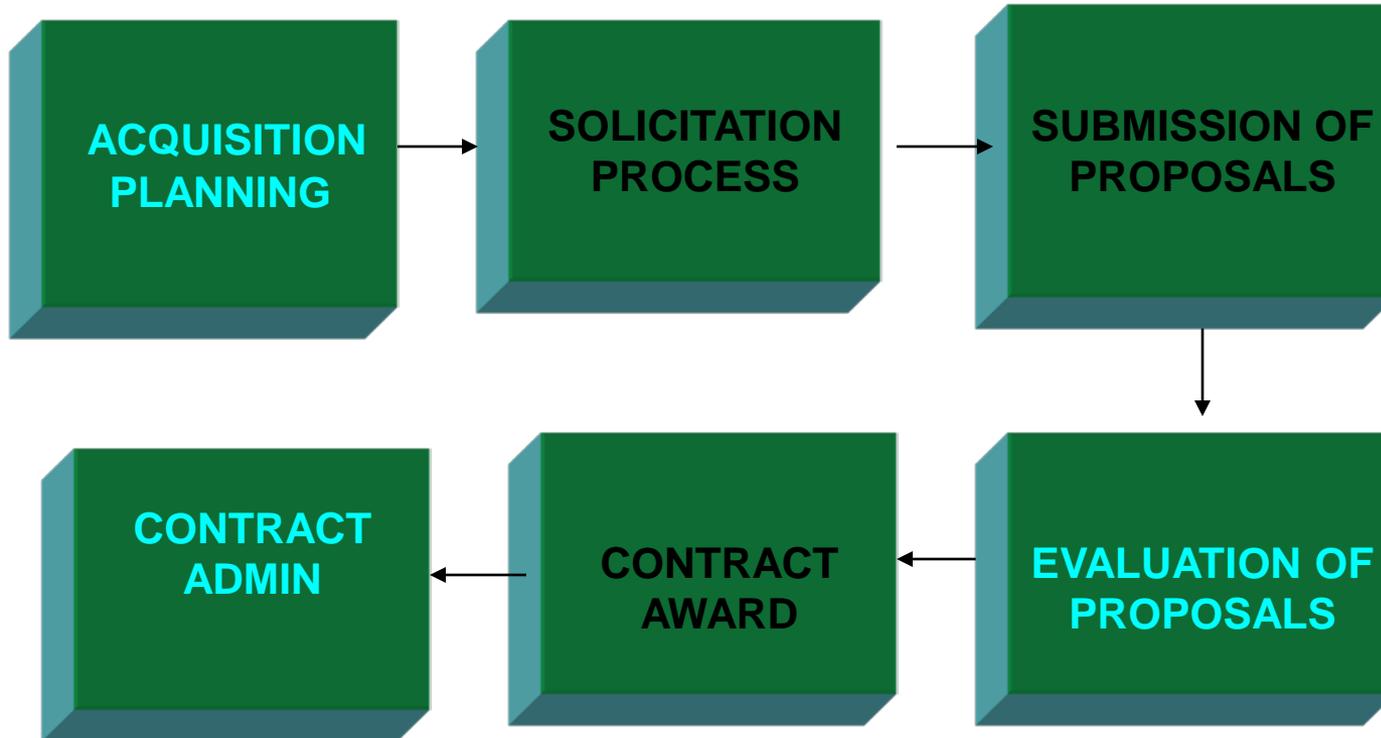
CONTRACTOR



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CONTRACTING FUNDAMENTALS





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CONTRACTING FUNDAMENTALS

ACQUISITION PLANNING

ACQUISITION PLANNING

Customer Establishes Requirements

- Determine Acquisition Strategy (w/KO)
- Conduct Market Research
- Define Requirement/Develop Requirements Package
 - PR&C
 - SOW/PWS (Drawings/Specifications)
 - IGCE
 - Security Requirements (DD 254)

SOLICITATION PROCESS

SOLICITATION PROCESS

KO Prepares/ Issues Solicitation

Post Synopsis

- Conduct Site Visits/Industry Days
- Develop Solicitation/Documentation
- Obtain Reviews/Approvals
- Release Request for Proposal



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EVALUATION OF PROPOSALS

KO/COR Evaluates Proposals

- Evaluate proposals IAW Solicitation Factors
- May require COR participation

AWARD SELECTION

KO Awards Contract

- Select Awardee IAW Solicitation Factors
- Debriefs Unsuccessful Offerors
- May require COR participation

CONTRACT ADMINISTRATION

- COR Monitors Contractor's Performance
- Quality Assurance, Documents Past Performance
- Options, Modifications, etc.
- Contract Closeout

EVALUATION OF
PROPOSALS

AWARD
SELECTION

CONTRACT
ADMINISTRATION
COR OVERSIGHT



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CONTRACT NUMBER

204.7003 Basic PII number (PIIN)

(a) *Elements of a number.* The number consists of 13 alpha-numeric characters grouped to convey certain information.

(1) *Positions 1 through 6.* The first six positions identify the department/agency and office issuing the instrument. Use the DoD Activity Address Code (DoDAAC) assigned to the issuing office. DoDAACs can be found at <https://www.daas.dla.mil/daasing/>.

(2) *Positions 7 through 8.* The seventh and eighth positions are the last two digits of the fiscal year in which the PII number was assigned.

(3) *Position 9.* Indicate the type of instrument by entering one of the following upper case letters in position nine—

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TYPES OF CONTRACTS 204.7003

(3) *Position 9.* Indicate the type of instrument by entering one of the following upper case letters in position nine—

(i) Blanket Purchase Agreements

A

(iii) Contracts of all types except indefinite delivery contracts, facilities contracts, sales contracts, and contracts placed with or through other Government departments or agencies or against contracts placed by such departments or agencies outside the DoDC

(iv) Indefinite Delivery Contracts

D

(vi) Contracting actions placed with or through other Government departments or agencies or against contracts placed by such departments or agencies outside the DoD (including actions with the National Industries for the Blind (NIB), the National Industries for the Severely Handicapped (NISH), and the Federal Prison Industries (UNICOR))

F

(xvi) Purchase order--automated (assign V when numbering capacity of P is exhausted during a fiscal year)

P

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ADDITIONS TO THE CONTRACT NUMBER

(a) *Uses of the supplementary number.* Use supplementary numbers with the basic PII number, to identify—

- (1) Amendments to solicitations;
- (2) Modifications to contracts and agreements, including provisioned item orders; and

Contract Administration Office A#####

Administration Contracting Office P#####

- (3) Calls or orders under contracts, basic ordering agreements, or blanket purchase agreements, issued by the contracting office or by a DoD activity other than the contracting office, including DoD orders against Federal supply schedules.

MOST calls or orders are a 4 digit number. 0001, 0032, 0101, etc.

A modification to the call or order adds 2 additional characters

ORDER 0001 with MOD 3 would show as -000103



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TYPES OF CONTRACTS –Are these valid contract numbers?

W912D1-09-P-9999 P0003

N0062-91-D-1234-000101

W912D1-07-A-0023

W912D1-06-D-0003-0015

W52P1J-08-P-0006

GS-02F-0024P

W912D1-07-F-0012



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HOW TO READ A CONTRACT

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Type a question for help

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS				1. REQUEST NUMBER	PAGE 1 OF 5
3. AWARD EFFECTIVE DATE		4. ORDER NUMBER		5. SOLICITATION NUMBER	6. SOLICITATION ISSUE DATE
7. FOR SOLICITATION INFORMATION CALL:		8. NAME		b. TELEPHONE NUMBER (No Collect Calls)	
9. ISSUED BY U.S. ARMY CONTRACTING COMMAND SVA KUWAIT		10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED <input type="checkbox"/> SET ASIDE % FOR <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> (A)		11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	
12. DISCOUNT TERMS Net 30 Days		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		13b. RATING DOA70	
14. METHOD OF SOLICITATION <input checked="" type="checkbox"/> RFQ <input type="checkbox"/> IFB <input type="checkbox"/> RFP		15. DELIVER TO US MILITARY		16. ADMINISTERED BY	
17a. CONTRACTOR/OFFEROR		18a. PAYMENT WILL BE MADE BY			
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER		18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a. UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/ SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT

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- CONTRACT NUMBER
- ORDER NUMBER
- EFFECTIVE DATE
- DODAAC
- CAGE vs. NATO CAGE
- 9. CONTRACT OFFICE
- 12. DISCOUNT TERMS
- 15. SHIP TO
- 16. ADMINISTERED BY
- 17A. VENDOR
- 18A. PYMT OFFICE



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HOW TO READ A CONTRACT

BOX UNDER 18A

28. SIGNATURE OF
VENDOR

29. CONTRACTING
OFFICER SIGNATURE

AWARD DATE

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Type a question for help

17a. CONTRACTOR/OFFEROR CODE		18a. PAYMENT WILL BE MADE BY CODE	
TEL. 965-761-0126		FACILITY CODE	
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER		<input type="checkbox"/> 18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a. UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM	
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/ SERVICES	21. QUANTITY	22. UNIT
	SEE SCHEDULE		
25. ACCOUNTING AND APPROPRIATION DATA		26. TOTAL AWARD AMOUNT (For Govt. Use Only)	
See Schedule		KWD	
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3, 52.212-5 ARE ATTACHED.		ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED	
<input checked="" type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED.		ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED	
28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 1 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.		29. AWARD OF CONTRACT: REFERENCE <input type="checkbox"/> OFFER DATED . . . YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: SEE SCHEDULE	
30a. SIGNATURE OF OFFEROR/CONTRACTOR		31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)	31c. DATE SIGNED
			13-May-2007
30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT)	30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT)	
		Ima Kayo CONTRACTING OFFICER	
		TEL: 011-965-389-2737	EMAIL: <input type="text"/> @army.mil

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV 4/2002)
Prescribed by GSA
FAR (48 CFR) 53.212

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32a. QUANTITY IN COLUMN 21 HAS BEEN <input type="checkbox"/> RECEIVED <input type="checkbox"/> INSPECTED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED:					
32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		
32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE			32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE		
			32g. EMAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE		
33. SHIP NUMBER	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER	
<input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL					
38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY			
41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		41c. DATE		42a. RECEIVED BY (Print)	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER				42b. RECEIVED AT (Location)	
				42c. DATE RECD (YYMM/DD)	
				42d. TOTAL CONTAINERS	

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV 4/2002) BACK
Prescribed by GSA
FAR (48 CFR) 53.212

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The SF1449 is A method for receiving supplies and services. This method is most effective when full delivery occurs.

Blocks 32a through 42d

Notations by each CLIN are required for partial delivery.

The preferred method in KUWAIT is the DD250.



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Section SF 1449 - CONTINUATION SHEET

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	SUN UMBRELLAS This is an informational CLIN			NET AMT	
0001AA	MOTORIZED UMBRELLA WITH FAN RENTAL 3 umbrellas FFP This is considered a PRICED SUB CLIN	12	MONTH	KWD100.00	KWD1,200.00
	FOB: Destination PURCHASE REQUEST NUMBER: W91XRV99999999			NET AMT	KWD1,200
	ACRN AA CIN: W91XRV999999990001				\$4444.44
0001AB	MOTORIZED UMBRELLAS WITH SPRINKER RENTAL FFP The unit price of this item is KWD 150.129 x 6 months = 600.774 This is considered a PRICED SUB CLIN	6	MONTH	KWD150.13	KWD900.774

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- CLIN STRUCTURE
- SUBCLIN
- ITEM DESCRIPTION
- QUANTITY
- UNIT OF ISSUE
- UNIT PRICE
- ROUNDING IN PD2
- 3-DECIMAL KWD
- LOCATION OF FOB INFORMATION
- FUNDING BY ACRN
- PR NUMBER



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WHAT IS AN OPTION?

PRICED vs
UNPRICED

OPTION FUNDING

OPTION POP

OPTION NOTICE –
requires planning

INSPECTION/
ACCEPTANCE

SHIP TO ADDRESS:

SUPPLY– CRSP

SERVICE - UNIT

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
OPTION 0002	MAINTENANCE OF UMBRELLAS	6	MONTH	KWD200.00	KWD1200.00

PPF

The maintenance service is available after the items warranty expires six months after delivery.
Notice this is a priced OPTION. In this case, the contracting office must notify the contractor a minimum of 60 days before the end of the contract to express an interest to exercise the option. If this deadline is missed, the vendor can either confirm the price, negotiate the price, or refuse to continue work.
MONEY is not committed for this until the option is exercised.

There can be unpriced OPTIONS. These are negotiable at the time the option is exercised.
FOB: Destination
PURCHASE REQUEST NUMBER: W91XR99999999

NET AMT

INSPECTION AND ACCEPTANCE TERMS
Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT
0001	Destination	Government	Destination
0001 AA	Destination	Government	Destination
0001 AB	N/A	N/A	N/A
0002	Destination	Government	Destination

ACCEPT BY
Government
Government
N/A
Government

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
0001	00 SEP00 00 SEP 10	N/A	0000th ARMY UNIT	W91XR9

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PURCHASE REQUEST NUMBER: W91XRV99999999

NET AMT

INSPECTION AND ACCEPTANCE TERMS
Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT
0001	Destination	Government	Destination
0001 AA	Destination	Government	Destination
0001 AB	N/A	N/A	N/A
0002	Destination	Government	Destination

ACCEPT BY
Government
Government
N/A
Government

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
0001	09-SEP09 -08-SEP-10	N/A	9/99 th ANY UNIT	W91XRV

0001 AA 09-SEP09 -08-SEP-10 N/A FOB: Destination
Same as above
0001 AB 09-SEP09 -08-MAR-10 N/A Same as above
0002 09-MAR-10 -08-SEP-10 N/A Same as above

ACCOUNTING AND APPROPRIATION DATA
AA: 219202000008A2084P135197000031EA83AJXXW91XRV999999999AJXX83509076
AMOUNT: \$7780.64

CIN W91XRV9999999900001: \$7780.64
CLAUSES INCORPORATED BY REFERENCE
CLAUSES INCORPORATED BY FULL TEXT
STATEMENT OF WORK/PWS/PERF METRICS

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PERIOD OF PERFORMANCE

CONTRACT vs. CLIN

ACCOUNTING INFORMATION

Funding by CLIN = not by contract



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